GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4729
ANSWERED ON:25.04.2000
GROWTH IN PROFIT OF FACT
K. MURALEEDHARAN

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of growth in profit of Fertilizers and Chemicals Travancore Limited Cochin during the last two years;

(b) whether there has been any downfall in the profit during the said period;

(c) if so, the reasons therefor;

(d) whether the Government have taken any steps to bring improvement in FACT; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI RAMESH BAIS)

(a) & (b) : The financial performance of Fertilisers And Chemicals TravancoreLtd. (FACT) showed a negative growthwith loss of Rs.48.26 crore for 1998-99 as against net profit of Rs.53.94 crore for 1997-98. The company has again projected a provisional loss of Rs.48.00 crore for 1999-2000.

(c): The main reasons for the decline in profits are inter-alia the high capital related charges of the new Ammonia plant commissioned in March, 1998 (Rs.65.00 crore towards interest and Rs. 35.00 crore towards depreciation), coupled with increase in cost of petroleum products which resulted in high cost of Ammonia affecting the profitability of Factamfos, Ammonium Sulphate and Caprolactam.

(d) & (e) : The Government have provided a budgetary support of Rs.35.00crore to FACT during 1999-2000 and have made a provision of Rs.40.00 crore for 2000-01 to enable it to implement essential renewals/replacements and upgradation schemes directed towards improving the health and overall performance of its plants.